



Title: I, Payroll/Personnel Manual

Chapter:

Bulletin: Title I, 09–11, Elimination of the Thrift Savings Plan (TSP) Waiting Period

Date: July 15, 2009

To: Holders of the Payroll/Personnel Manual
Personnel User Groups
Personnel Offices

This bulletin supercedes Title I, 05–14, Elimination of the Thrift Savings Plan (TSP) Open Seasons dated August 19, 2005.

Elimination Of Required Waiting Period

On June 22, 2009, the President signed House of Representatives Bill (H.R.) 1256 which included the Thrift Savings Plan Enhancement Act of 2009. The act resulted in the elimination of the required waiting period to receive Thrift Savings Plan (TSP) Agency Automatic (1%) contributions and Agency Matching contributions for employees covered under the Federal Employees Retirement System (FERS) or FERS equivalent retirement systems. In order to implement this new legislation, the following guidance should be followed.

NFC Processing Changes and Database Update

Effective Pay Period 14, 2009, agencies should immediately begin entering TSP Eligibility Code 3 (Eligible–immediately) for all newly hired FERS or FERS equivalent employees. Agencies should no longer enter TSP Eligibility Code 1 or 2.

Effective Pay Period 16, 2009, NFC will modify the Personnel Input and Edit System (PINE) nightly edit process to convert TSP Eligibility Code 1s or 2s that may be submitted on “hire” actions to TSP Eligibility Code 3. NOTE: Prior to Pay Period 16, agencies using their own front–end entry systems should determine how they will handle the PINE converted data on the return file from NFC used to update their own front–end system.

Additionally, at the start of Pay Period 16, NFC will update the Payroll/Personnel System (PPS) database records on current employees who are in a waiting period with the appropriate eligibility code so that they can begin receiving the Agency Automatic (1%) contributions and Agency Matching contributions as appropriate.

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TSP Eligibility Codes

The following TSP eligibility codes will no longer be reflected in the PPS effective Pay Period 16:

TSP Eligibility Codes

TSP Eligibility Code	Description
1	<u>For FERS employees only:</u> Agency Automatic (1%) and matching contributions start the 1st election period after the employees' appointment.
2	<u>For FERS employees only:</u> Agency Automatic (1%) and matching contributions start the 2nd election period after the employees' appointment.

The following TSP eligibility codes remain available for use effective Pay Period 16:

TSP Eligibility Codes

TSP Eligibility Code	Description
3	<u>Eligible:</u> FERS, CSRS and CSRS–offset employees may immediately participate in TSP and begin contributing, as well as immediately receive the Agency Automatic (1%) and Agency Matching Contributions.
6	<u>Ineligible:</u> Employees in certain retirement coverage codes may not be eligible to participate in TSP.
9	<u>System Generated:</u> This code is generated for employees meeting certain eligibility or enrollment criteria for TSP.

TSP Status Codes

The following TSP Status Codes will no longer be reflected in the PPS effective Pay Period 16:

TSP Status Codes

TSP Status Code	Description
W	Waiting to receive the Agency Automatic (1%) contributions. A FERS employee who is contributing but who is not yet eligible to receive the Agency Automatic (1%) contributions.
S	Stopped employee contributions. A FERS employee who terminates (stops) their own contributions to TSP before they become eligible to receive the Agency Automatic (1%) contributions, as well as the agency matching funds.

The following TSP status codes will still be generated by the PPS effective Pay Period 16. and are displayed in the IRIS, Program IR118, Thrift Savings Data, in the **Change Status Code** field.

TSP Status Codes

TSP Status Code	Description
E	Eligible. An employee is eligible to participate in TSP but has not elected to participate in TSP. FERS employees' coded E will receive the Agency Automatic (1%) Contributions.
Y	Yes (Contributing). An eligible employee has elected to participate in TSP. FERS employees' coded Y is eligible for the Agency Matching Contributions.
H	Hardship withdrawals. NFC USE ONLY. An employee who is required to terminate their contributions due to a financial hardship in-service withdrawal. FERS employees' coded H will receive the Agency Automatic (1%) Contributions.
T	Termination. An employee who has elected to terminate their TSP participation. FERS employees' coded T will receive the Agency Automatic (1%) Contributions.
I	Ineligible. Employees in certain retirement coverage codes may not be eligible to participate in TSP.

For more information on the elimination of the TSP open seasons, refer to TSP Bulletin 09-8 on the TSP Website (www.tsp.gov).

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630** or the **EmpowHR** Help Desk at **1-888-367-6955**.



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